weekly economic review

September 21, 2012

Resale Housing Market

Sales of existing homes dip, but remain well above last year's levels

Alberta sales of existing homes declined for the second straight month, falling by 3.9% in August. This moved the sale-to-listing ratio down 0.01 points to 0.60, narrowly putting the ratio in "balanced" market territory. However, when compared with August last year, home sales have grown an impressive 10.1%, marking the 16th straight month of year-over-year increases. The average resale home price in Alberta grew a moderate 3.4% year-over-year to $363,235.

At the national level, the resale housing market has slowed. August sales were down 5.8% from the previous month, and by 4.4% year-over-year.

Consumer Price Index (CPI)

Alberta tied for lowest inflation in country

Alberta consumer price inflation remains modest. The CPI rose by a subdued 1.0% in August over the same month last year, up slightly from 0.9% in July and tied for the lowest inflation rate in Canada. Alberta's inflation rate has been below 2.0% every month this year with the exception of January. The August reading was brought down by falling energy prices (-3.6%).

Nationally, inflation fell to 1.2% in August, largely due to lower clothing and footwear prices, as well as weak gains in shelter and energy costs.

Census 2011

Number of families in Alberta soars

Between 2006 and 2011, the number of families grew 10.5% to almost one million, roughly double the national increase of 5.5%. Married couples are still the most common family structure, but common-law partnerships and male lone-parented households are on the rise. Among couples families, just under 50% were couples with children under 25 in 2011, above the national average of 46.9%.

New Motor Vehicle Sales

Alberta auto sales remain well above 2011 levels

Vehicle sales rose an impressive 10.8% to 21,476 units in July over the same month last year, supported by higher wages and healthy job gains in the province. Year-to-date, vehicle sales are sitting 12.9% about last year's levels. At the national level, vehicle sales increased by 5.0% over July 2011 to 151,451.

International Securities

Foreign portfolio investment picks up

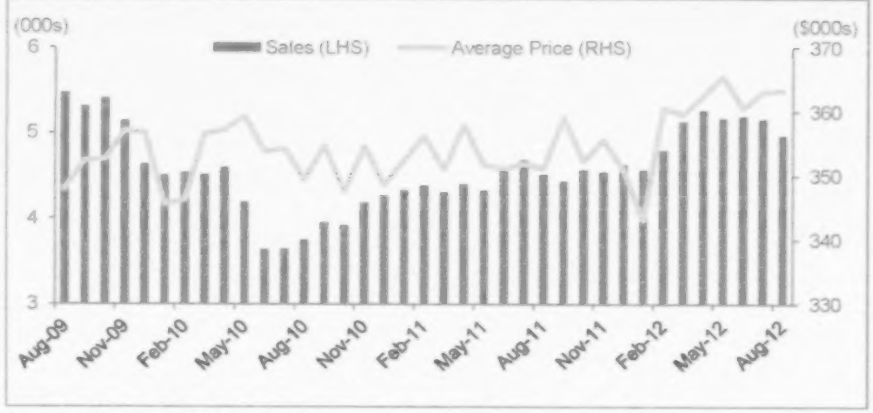
Amid global uncertainty, Canada remains a destination of choice for many foreign investors. Non-resident investors acquired $6.7 billion in Canadian Securities in July, with new holdings in bonds and equities more than offsetting a reduction in money market instruments.

Job Vacancies

Plenty of unfilled jobs in Alberta

The province's job vacancy rate, defined as the number of job openings as a percentage of labour required (employed individuals plus job openings), came in at 3.4% during the April to June period, up significantly from the same period last year (2.5%).This represents the highest level of all provinces and almost double the national rate of 1.8%. The unemployment to job vacancy ratio provides another indication of Alberta's strong labour market. Between April and June, there were 1.6 unemployed people for every job opening in Alberta, well below the national average of 5.3.

Alberta's Housing Resale Market



Source: Statistics Canada

Closing Prices	September 13, 2012	September 20, 2012	2012–13 Fiscal YTD
Canadian Dollar (US¢/$CAN)	102.53	102.31	99.59
WTI Oil ($US/bbl)	$96.31	$91.67	$90.83
NYMEX Natural Gas ($US/MMBtu)	$3.04	$2.80	$2.60

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	Mar	Apr	May	Jun	Jul	Aug
Population[2] (000's)	3,721	3,779	3,847	..	3,847	..	..	..	..
% change	1.3	1.6	2.0	..	2.4	..	..	..	..
Net Interprovincial Migration[2] (level)	-3,271	13,660	22,542	..	13,306	..	..	..	..
Net International Migration[2] (level)	21,783	14,090	17,506	..	6,671	..	..	..	..
Net Non-permanent Residents[2] (level)	-125	7,986	5,042	..	2,642	..	..	..	..
Labour Market									
Employment (000's)	2,018	2,096	2,142	2,135	2,143	2,153	2,144	2,150	2,154
% change	-0.4	3.8	3.1	3.1	3.9	4.1	2.7	2.2	2.1
Unemployment Rate (%)	6.5	5.5	4.8	5.3	4.0	4.5	4.6	4.6	4.4
Participation Rate (%)	72.8	73.7	73.7	74.0	73.9	73.7	73.9	73.9	73.7
Average Weekly Earnings ($)	993.28	1,038.69	1,058.30	1,054.38	1,058.84	1055.07	1070.68	..	..
% change	4.6	4.6	2.7	3.1	2.7	1.2	4.1	..	..
Price Indices									
NEW: Consumer Price Index	1.0	2.4	1.4	1.7	0.8	0.4	1.3	0.9	1.0
Excluding food and energy	0.7	0.8	1.5	1.5	2.1	1.5	1.6	1.4	1.4
Non-Res. Building Const. Price Index[3]	0.1	3.4	4.3	4.5	..	..	4.1	..	..
Farm Product Price Indice	1.5	17.2	4.7	2.0	1.8	4.4	4.7	..	..
Crops	-9.7	18.5	1.6	0.1	1.3	3.5	1.4	..	..
Livestock	5.7	17.2	7.2	4.7	1.9	4.7	7.7	..	..
Household Sector									
Housing Starts (SAAR, 000's)	26.9	25.5	32.5	35.6	39.7	33.6	31.8	31.4	27.7
% change	34.8	-5.2	36.8	70.3	79.6	30.9	43.0	23.1	-10.9
New Housing Price Index[4]	0.5	-0.4	0.9	0.8	1.2	1.0	1.2	1.5	..
Edmonton	-0.8	0.9	0.9	0.8	1.2	1.1	0.8	0.8	..
Calgary	1.8	-0.1	1.0	0.8	0.9	0.9	1.7	2.3	..
NEW: MLS Average Resale Prices ($ 000's)	350.9	352.7	359.7	359.6	362.5	365.9	360.5	363.1	363.2
% change	3.1	0.5	1.9	2.5	1.3	2.9	2.7	3.2	3.4
Edmonton ($ 000's)	326.5	324.2	332.6	331.3	337.3	339.7	332.2	331.8	334.6
% change	2.3	0.7	2.9	2.8	3.3	4.0	3.7	1.2	3.1
Calgary ($ 000's)	397.4	401.9	406.3	407.8	408.0	412.5	410.2	411.5	410.6
% change	3.4	1.1	0.9	2.4	1.3	2.4	2.3	3.1	1.8
Retail Sales	6.0	6.9	8.8	9.8	7.6	8.3	6.6	..	..
NEW: New Motor Vehicle Sales	9.5	9.6	12.9	12.9	11.1	22.6	5.8	10.8	..
Consumer Bankruptcies (level)	8,150	7,029	3,140	568	523	515	484	..	..
% change	-18.4	-13.8	-17.4	-16.5	-18.3	-16.5	-25.4	..	..
Business Sector									
Rigs Drilling (level)	207	285	248	336	141	85	189	196	223
% change	61.3	37.9	-4.2	7.5	14.4	4.5	7.3	17.5	-30.9
Goods Exports (real/chn'd)	12.6	18.5	9.2	9.0	12.0	1.6	11.1	..	..
Energy	17.4	19.4	11.0	10.0	24.2	2.4	1.6	..	..
Agriculture	14.3	-21.4	-16.4	-26.3	16.3	10.2	0.3	..	..
Total Farm Cash Receipts (quarterly)	9.7	16.3	28.3	28.3	..	..	..	..	..
Manufacturing Shipments	11.3	18.0	10.6	12.2	9.5	7.1	5.2	1.4	..
NEW: Wholesale Trade	8.5	15.0	15.3	14.0	20.0	17	10.4	19.5	..
Building Permits	1.3	11.8	14.4	36.9	49.5	20.2	13.3	0.5	..
Residential	22.4	5.2	18.6	21.8	2.6	27.0	14.6	1.5	..
Non- residential	-18.3	20.9	9.6	64.6	158.5	13.2	11.5	-0.7	..
Business Bankruptcies (level)	378	264	134	19	20	28	22	..	..
% change	6.7	-30.2	0.8	-26.9	17.6	27.3	37.5	..	..

YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year.

[1] Unless otherwise indicated, all figures are year over year percentage change.

[2] Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).

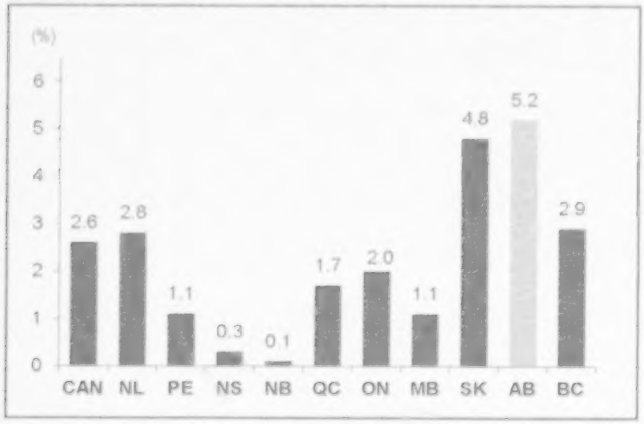
[3] Quarterly, average of Calgary and Edmonton.

[4] Average of Calgary and Edmonton.

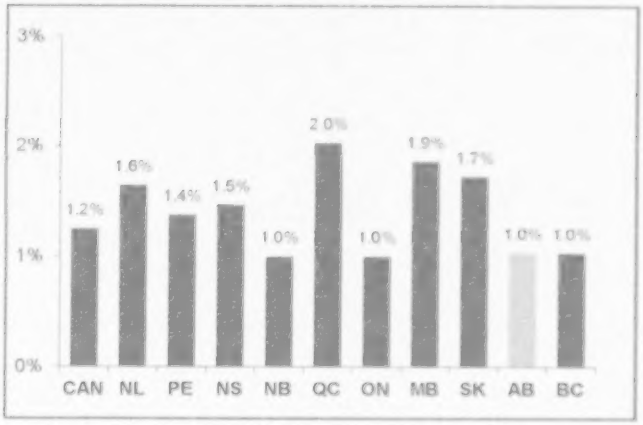
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

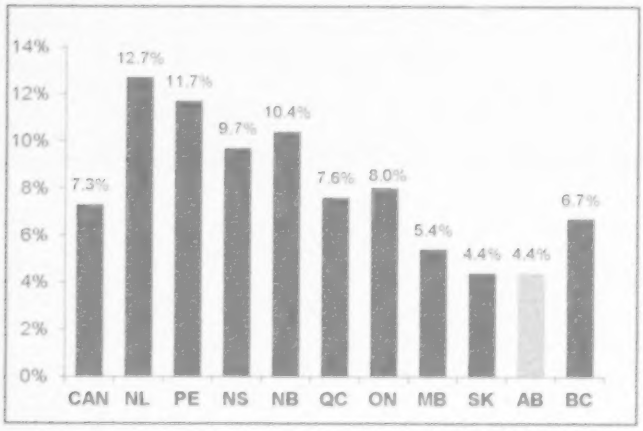
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



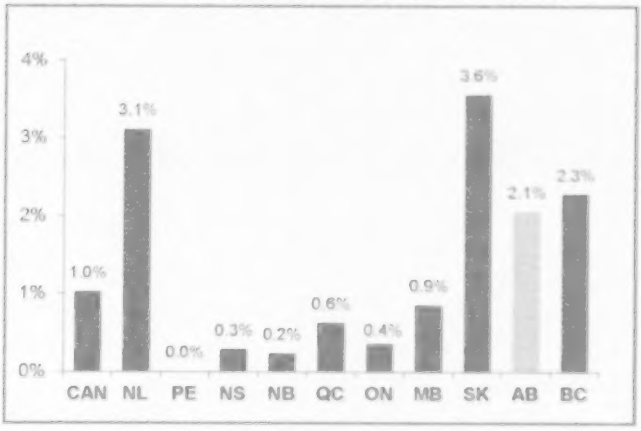
CPI Inflation
(August 2012, year-over-year growth in CPI)



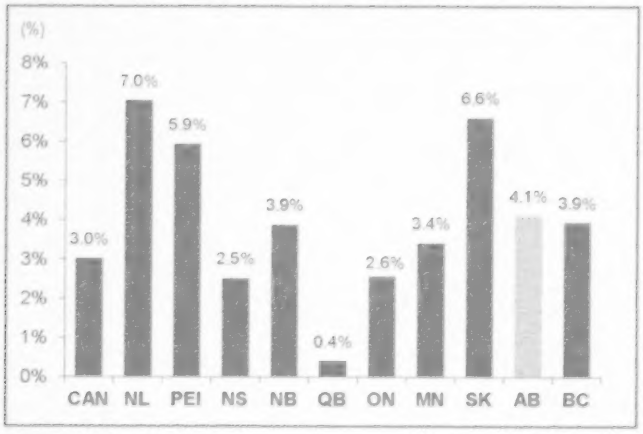
Unemployment Rate
(August 2012)



Employment
(August 2012, year-over-year growth)



Average Weekly Earnings
(June 2012, year-over-year growth)



Housing Starts
(August 2012, SAAR, year-over-year growth)